

# Seattle Housing Capacity Exceeds Three Times Anticipated Growth

A publication of The Livable Seattle Movement

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# Executive Summary

Seattle's city government should not make radical changes in our established zoning and neighborhood plans with the idea that such changes are needed to accommodate future growth. The rules in place provide for more than enough opportunities in growth in housing. A recent, reliable study confirms that the city is already zoned to accommodate three times the housing growth planned for the next 14 years. So, there is no need, no rational basis, for such ideas as "unlocking" single-family zoning to improve affordability or for effectively abandoning the urban village strategy in order to increase capacity. The King County Buildable Lands Report tells the story.

In 1997, the Washington State Legislature enacted the "Buildable Lands Amendment" to the Growth Management Act. Among other things, the new law mandated standardized reporting of buildable lands as a guideline for making decisions. Results for the most recent survey covering Seattle were published in 2007. Here are the key findings.

## **Key Housing Findings — 2007 King County Buildable Lands Report**

- Seattle has household capacity under current zoning over three times the 2022 projected household growth. Current residential capacity is for 123,000 new households. Growth targets for 2022 for Seattle are 38,000 new households.
- Seattle has the largest surplus of household capacity of any area in King County (3.2 times projected population growth). East King County has 1.7 and South King county 2.9. Rural cities have 3.1, but represent a small number.
- Seattle has capacity for 123,000 new households compared to 154,000 new households for the all the rest of King County's Urban Growth Area.

Overzoning is not benign. It has serious negatives. It causes local government to lose control over the location, amount and rate of development. There is no way City budgets and private employers can subsidize replacements for all of the affordable housing suddenly lost and provide the new required infrastructure. Seattle certainly can't do it in pockets of density built randomly all over the City at unpredictable moments. Overzoning makes housing less affordable, impacting an entire region and countless lives. Clearly, these findings the data in the Buildable Lands Report rebut the assumption that additional housing capacity is necessary. It is not only not necessary; it is unwise.

Livable Seattle was created to provide objective data to help foster an informed debate about density, affordability, and environmental responsibility in terms of land use and zoning decisions to keep Seattle livable for current and future residents.

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## **Context and Motivations for Livable Seattle's Analysis of Buildable Lands**

Livable Seattle questions the assumption that additional zoning for new housing capacity is necessary. The data shows that just the opposite is true. Especially troubling is the Seattle Planning Commission's 2008 Affordable Housing Action Agenda which asserts that unaffordable housing results from insufficient capacity and recommends effectively abandoning the Comprehensive Plan's urban village strategy, "unlocking" single family zoning and increasing new capacity elsewhere.

In contrast, Seattle officials agreed with the Planning Commission's extensive July 2007 report showing that retaining living wage jobs means: 1) resisting pressure to rezone industrial lands for more intensive use and 2) moderating existing development standards to reduce the financial pressure that was beginning to price companies out of industrial areas.

If the answer to increased affordability in industrial areas was to decrease development pressure, then why isn't the answer to increased affordability in residential areas the same? This question needs answering, particularly in light of data demonstrating Seattle has a significant surplus in new housing capacity.

As we note later, a new housing capacity 3.2 times anticipated growth is *overzoning*, not a benign condition. It effectively deprives the City of the ability to plan or direct growth and to develop capital plans for the required infrastructure and amenities to support it. It is causing the loss of large amounts of existing affordable housing which the City cannot afford to replace.

The one thing Seattle does not need is even more overzoning. It urgently needs to figure out a plan to conserve existing affordable housing, especially housing suitable for families with children. Using build-out analysis of current zoning, it needs to confirm the costs of required infrastructure improvements, missing amenities, and replacement of affordable housing lost to redevelopment. It needs to then align its zoning with a feasible and timely capital finance plan as the Growth Management Act requires.

## Consequences of Overzoning

"Overzoning—A local zoning practice in which considerably more land is zoned into a higher density zoning classification than the market can absorb, or adequate public services can be provided. It is responsible for promoting low-density scattered development of rural land."—

*(Wyckoff, Mark. 2002. Overzoning and Buildout Analysis. Planning & Zoning News 20 (6), April: 5–13. Lansing, Mich.: Planning and Zoning Center, Inc.)*  
<http://www.pzcenter.msu.edu/buildout.php>

3.2 times anticipated growth is overzoned in any planners' book. Raw zoned capacity numbers are not given, but could easily be 4 or 5 times anticipated growth. And this is before adding proposed upzones in South Lake Union, South Downtown and Northgate.

Overzoning is not benign. It has serious negatives. It causes local government to lose control over the location, amount and rate of development. There is no way City budgets and private employers can subsidize replacements for all of the affordable housing suddenly lost and provide the new infrastructure. Seattle certainly can't do it in pockets of density built randomly all over the City at unpredictable moments.

Overzoning during booms encourages rampant land speculation causing artificial increases in land and housing costs. Overzoning therefore produces sudden and severe disruptions to existing residents and local government budgets as whole blocks are randomly razed to make way for new construction. It encourages the demolition of the most affordable housing first and the eviction of those least able to find alternatives in a boom. We see this in Seattle's neighborhoods today.

By contrast, not overzoning will moderate the cost of land in boom times, keeping housing more affordable (although lowering profits of speculators), conserving existing affordable housing and reducing the rate of change to that which can be managed by those impacted and that which can be funded by local governments.

Overzoning also has social policy implications. For example, families with children generally get outbid by megahouse builders for fixer uppers but generally don't want 600–800 sq. ft apartments with no place to play and poor and/or inconvenient schools. Family-friendly multi-family designs are possible, but they cannot be done at zoning densities greater than 48 units per acre—which is the vast bulk of the multi-family zoning in Seattle per Buildable Lands Report Table VII-9. When the overzoning itself produces housing so dense and configured in ways that families with children don't want, can't use and can't afford, they respond by moving further and further from the city in order to find what they need. Ironically, attempts to concentrate densities end up driving sprawl. This can be seen in the large population increases in suburban areas.

# Synopsis and Comments on the 2007 King County Buildable Lands Report

(Direct quotations from the Buildable Lands Report (BLR) are in italics.)

Soon after adopting the Growth Management Act (GMA), the state legislature recognized it needed to monitor—apples to apples—the housing and jobs capacities of jurisdictions planning under the GMA. In 1997, it adopted the Buildable Lands Amendment. Under the amendment, six major counties, cooperatively with their cities, must survey every five years the development that has occurred in the preceding five years, confirm that capacities within the area the county has designated as its Urban Growth Area (UGA) can accommodate the growth anticipated over the remaining planning period, and make “reasonable” changes in planning assumptions as necessary.

The 2007 King County Buildable Lands Report (BLR) is the second five-year evaluation. Findings are reported for the King County Urban Growth Area as a whole, for each of four sub areas (shown on the map and Table 5.2 below), and for each city (BLR Table 5.3, pg. V-4.)

The report below provides commentary on additional findings, including employment findings, excerpted from Chapter V of the 2007 Report. Those curious about the raw data can find it at <http://www.metrokc.gov/budget/buildland/bldlnd07.htm>. Look in Chapter VII, SeaShore Sub Area, for Seattle-specific information.

## Major Residential Findings for Seattle and King County

- Seattle has a new household capacity 3.2 times the projected household growth for 2022. (BLR Table 5.3 on pg. V-4)

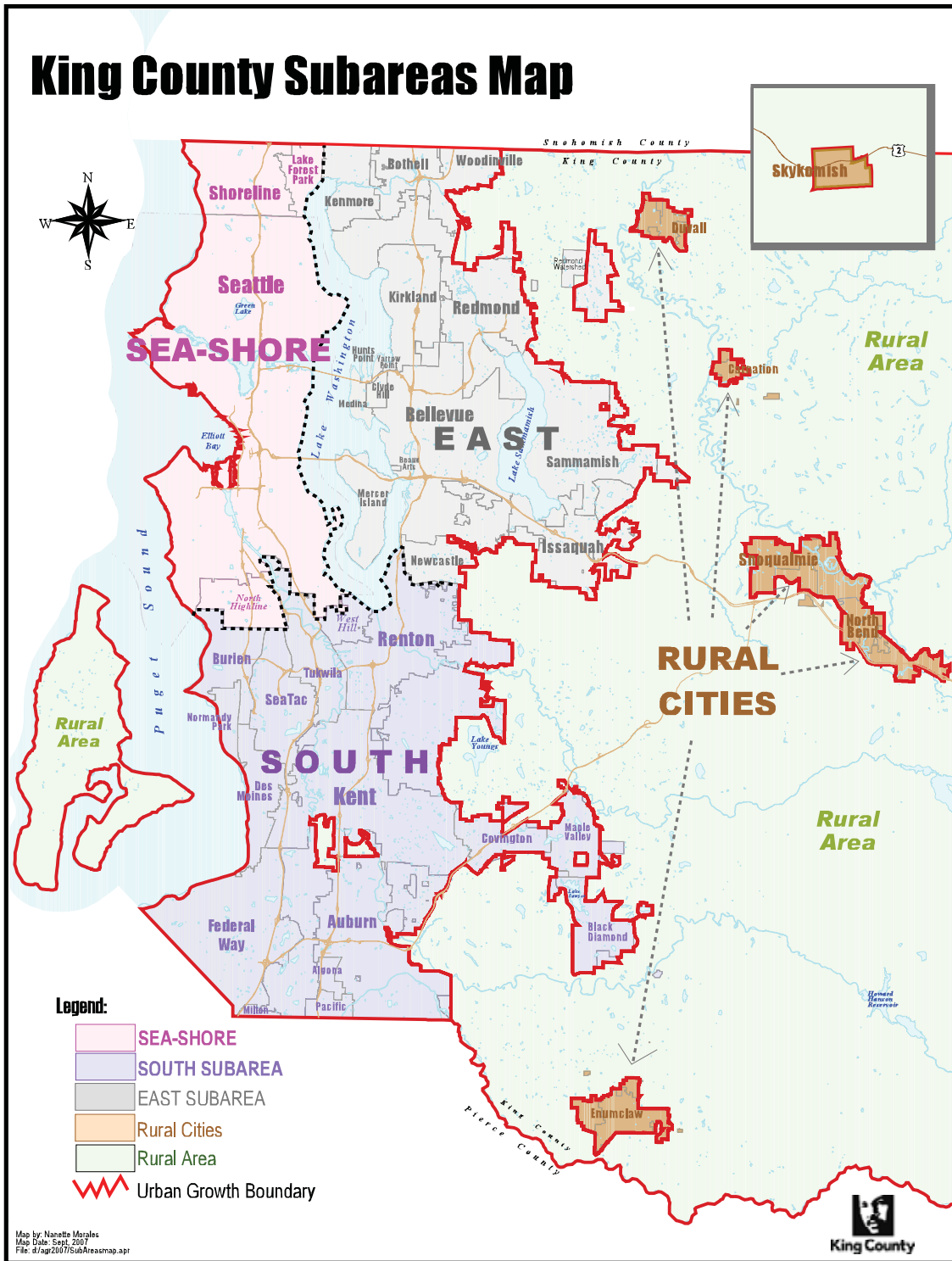
According to Table 5.3, Seattle has household capacity under current zoning for 123,000 new households.. Growth targets for 2022 for Seattle are 38,000 new households, giving a household capacity 3.2 times greater than projected household growth

- *City of Seattle has the largest surplus of capacity above and beyond targeted household growth, capacity for nearly 85,000 more households than necessary.* (BLR pg. V-6)
- *Just over half of the 2006 residential capacity in King County—about 139,000 housing units—is located in the SeaShore sub area, dominated by multifamily and mixed-use capacity in the City of Seattle.* (BLR pg. V-6)

Seashore has 3.2 times needed capacity. East King County has 1.7 and South King county 2.9. Rural Cities have 3.1, but represent a small number. (BLR Table 5.2 below)

- Seattle has household capacity for 129,000 new units (123,000 households) compared to the all the rest of King County's 160,000 units (154,248 households.) (BLR V-3 and Table 5.2 below) (For the difference between “units” and “households”, see the definitions at the end of this document)
- *The King County UGA has capacity, based on current plans, for approximately 289,000 additional housing units accommodating an estimated 277,000 additional households—more than twice the capacity needed to accommodate the Household Growth Target of about 106,000 households for the remainder of the 2000-2022 planning period.* (BLR pg. V-3)

# King County Subareas Map



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(The table is from the Buildable Lands report. Our notes are in green.)

**Table 5.2: Housing Capacity (2006) vs. Household Growth Targets (2006-2022)**

Subarea	Zoning	Development Capacity (2006)		Remaining Target 2006-2022	Surplus/Deficit Capacity
		Housing Units	Households <sup>1</sup>		
Sea-Shore (Primarily 2 Seattle)	Single-Family	10,082	9,880	<b>3.2 times</b>	
	Multifamily	32,450	30,827		
	Mixed-Use	96,595	91,765		
	Total	139,335	132,472	41,841	90,631
East County	Single-Family	19,719	19,325	<b>1.7 times</b>	
	Multifamily	6,356	6,038		
	Mixed-Use	31,954	30,356		
	Total	58,029	55,719	32,494	23,225
South County	Single-Family	45,023	44,123	<b>2.9 times</b>	
	Multifamily	16,720	15,884		
	Mixed-Use	18,469	17,546		
	Total	80,279	77,553	28,319	49,295
Rural Cities	Single-Family	9,463	9,274	<b>3.1 times</b>	
	Multifamily	1,490	1,416		
	Mixed-Use	859	816		
	Total	11,812	11,506	3,698	7,808
UGA Total	Single-Family	84,286	82,600	<b>2.6 times</b>	
	Multifamily	57,016	54,165		
	Mixed-Use	147,877	140,483		
	Total	289,179	277,248	106,352	170,896

<sup>1</sup> Housing units converted to households by assuming vacancy rates of 2% for SF and 5% for MF and MU.

<sup>2</sup> Seashore includes Seattle with a capacity of 128,891 units/122,674 households, a household target of 38,021 and a surplus capacity of 84,653 households. (See Table 5.3 pg. V-5)

Important Note: When the BLR uses the term “development capacity,” most people think it means “zoned capacity.” That’s not the case. The BLR’s “development capacity” is the zoned capacity mathematically reduced to only those parcels likely to be redeveloped at assumed densities within the planning time frame. It is a subjective adjustment. If a jurisdiction like Seattle passed a law tomorrow requiring everyone to build every parcel to the total zoned capacity immediately, the capacity surpluses described in the BLR would be much, much higher.

Similarly, planning “targets” and BLR’s “surpluses” are expressed only as households, not population, while the Washington State Office of Financial Management (OFM) projects growth management targets only as population, and every year estimates only population and housing units (not households.) Accurate household counts are available at ten year intervals following the census.

The two consecutive BLRs demonstrate the subjectivity of analyzing “buildable” lands and “developable” capacity. The 2007 BLR indicates a 5,000-acre reduction in land supply since the 2002 BLR because of “consumption,” yet the 2007 report also arrives at a “slightly higher” capacity than the 2002 report. Some jurisdictions in the county may have up-zoned, although the report is silent about how much, if any. More likely, the capacity was always there, and, as this BLR says, “analysis assumptions” changed when faced with what actually happened between reports. (pg. V-3)

Livable Seattle recommends that the King County BLR should also disclose raw zoned capacities. This would reduce confusion and provide a basis for comparing reduction assumptions in prior reports and comparisons with reports that don’t use this particular methodology. We also recommend that planning documents, including BLR reports, should avoid expressing growth targets in measurements only accurate every ten years and instead seek targets or techniques that immediately expose unusual situations such as: many vacant units, jet setters snapping up pads in multiple locations, and hotel-condos attempting to take up slack, etc.

## Major Employment Findings for Seattle

Direct quotations from the Buildable Lands Report (BLR) are in italics.

These are called “employment findings” because they relate projected job growth numbers to the availability of commercial and industrial space. Just as the residential numbers are supposed to help us understand whether we have enough space for population growth, these numbers are supposed to help us understand whether we have enough space for our projected job growth.

- Overall capacity in Seattle was for 254,900 jobs, 2.8 times the capacity necessary to reach the 2022 target of 92,083 new jobs. (BLR Table 5.6 on pg. V-10)
- *More than half of the county’s total employment capacity is in the SeaShore sub area, primarily within the City of Seattle. Seashore and East County contain the majority of commercial/mixed use capacity, while SeaShore and South County lead the county in industrial capacity.* (BLR pg. V-8 and Table 5.5 below)
- *The City of Seattle has the largest surplus of capacity above and beyond targeted employment growth, capacity for nearly 163,000 more jobs than necessary.* (BLR pg. V-8 and Table 5.6 on pg. V-10)
- In 2006, Seattle had 580 gross acres of vacant developable land zoned for commercial, industrial, and mixed uses with capacity for 110,226 jobs under current zoning. The city also contained 538 gross acres of redevelopable land, with capacity for 144,674 jobs. Eighty-three percent of Seattle’s job capacity was located in mixed-use zones. Fifty-seven percent of the city’s employment capacity was on redevelopable land. (BLR pg. VII-11)
- *The King County UGA (urban growth area) has capacity, based on current plans, for over 500,000 new jobs added through development—nearly twice the capacity needed to accommodate the overall Job Growth Target of about 267,000 for the remainder of the planning period (2006-2022)* (BLR pg. V-8 and Table 5.5 below)

Livable Seattle believes an analysis of the surplus described in the 2007 BLR helped drive the 2007 decision by Mayor Nickels and the Seattle City Council to alter the development capacity in industrial zones to reduce financial pressure on industrial businesses.

“Industrial interests and labor unions had pushed for the [this] legislation. They said increasing pressure for land from real estate speculators and non-industrial businesses threatened to make property in Sodo, Ballard and other areas unaffordable to true industry.” *Seattle PI* Dec. 13, 2007

According to this same article, Nickels’ office released a statement applauding the measures as protections of family-wage jobs in Seattle.

We believe the City ought to give equal attention to the impact overzoning is having on residents and the small commercial businesses that provide so many of our jobs.



(The table is from the Buildable Lands report. Our notes are in green.)

**Table 5.5: Commercial and Industrial Capacity (2006) vs. Job Targets (2001-2022)**

Subarea	Zoning	Employment Capacity (2006)		Job Growth Target 2001-2022	Surplus/ Deficit Capacity
		Floor Area (Sq. Ft.) <sup>1</sup>	Jobs		
SeaShore	Commercial	878,914	1,921	<b>2.8 times</b>	
	Mixed-Use	62,509,499	214,782		
	Industrial	20,579,016	44,666		
	Total	83,967,429	261,369	94,778	166,591
East County	Commercial	3,196,230	15,833	<b>1.5 times</b>	
	Mixed-Use	20,532,636	82,445		
	Industrial	5,878,900	26,426		
	Total	29,607,765	124,704	84,554	40,154
South County	Commercial	12,610,679	41,246	<b>1.5 times</b>	
	Mixed-Use	17,977,826	46,937		
	Industrial	28,391,702	40,059		
	Total	58,980,207	128,242	84,762	43,480
Rural Cities <sup>2</sup>	Commercial	803,666	3,033	<b>4.3 times</b>	
	Mixed-Use	1,564,478	3,189		
	Industrial	2,667,311	7,183		
	Total	5,035,455	13,405	3,113	10,205
UGA Total	Commercial	17,489,489	57,860	<b>2.0 times</b>	
	Mixed-Use	102,584,439	351,527		
	Industrial	57,516,929	118,333		
	Total	177,590,857	527,720	267,307	260,422

**Important Note:** When the BLR uses the term “Floor Area (Sq Ft),” most people think it means “zoned employment capacity.” That is not the case. The BLR’s “Floor Area (Sq. Ft.)” starts with gross zoned capacity in acres and reduces that to come up with “buildable acres” which then get converted to “units of employment capacity” (sq. ft, jobs) using market activity assumptions about FAR (Floor Area Ratios) and “assumed sq. ft. per employee multipliers.” (pg. V-8)

Suffice it to say, both adjustments are subjective with curious results. (For example, in Table 5.5 (shown above) if you divide the jobs into square footages, commercial zones in Seashore (primarily Seattle) are projected to have a generous 458 sq feet per job, while those in East County will only have 202 square feet. Are cubicles in Bellevue and Redmond really going to be half as big as those in Seattle? We think not. In mixed use, Seashore (Seattle) clocks in at 291 square feet per employee (still high but more reasonable), while East County has 249, and South County has a whopping 383.

If a jurisdiction like Seattle passed a law tomorrow requiring everyone to build every parcel to the total zoned square footage immediately, the job capacity surpluses described in the BLR would be much, much higher. Whether people use “zoned square footage” or the BLR’s “Floor Area” or “Jobs Capacity,” Seattle still has at least 2.8 times more capacity than needed.

Livable Seattle Movement believes the BLR report should also disclose the zoned employment capacity and provide meaningful numbers that are comparable between reports and other jurisdictions.

## **Definitions**

### **Comprehensive Plans of Cities and Counties**

Documentation of the required planning process by which cities and counties set forth and monitor the means they will use to accommodate the GMA planning goals and the growth targets agreed to in the CPP. The documentation must coordinate land use plans with capital financing plans for full implementation.

### **Growth Management Act (GMA)**

The Growth Management Act was adopted because the Washington State Legislature found uncoordinated and unplanned growth posed a threat to the environment, sustainable economic development, and the quality of life in Washington. The GMA requires state and local governments to manage Washington's growth by identifying and protecting critical areas and natural resource lands, designating urban growth areas, preparing comprehensive plans and implementing them through capital investments and development regulations.

### **County Growth Projections**

County populations forecasted by the state's Office of Financial Management every five years in the form of a "reasonable range" with a high and low projection as well as a most-likely projection within a 25 year horizon from which counties planning under the GMA may select a growth target. Standards for overturning a projection exist, but are high, in that the OFM projections are proving themselves accurate. King, Pierce and Kitsap use close to the most-likely projection, Snohomish uses 4% less than most-likely.

### **County Growth Targets**

The minimum number of residents or jobs that a county planning under GMA decides to accommodate by a certain end-date and within the range of state provided projections. The county and its cities and towns must plan collaboratively to accommodate the anticipated growth but have broad discretion as to how to distribute it within the urban growth areas that the process delineates. Growth targets reflect aspirational goals, but must be rooted in objective analysis based on the GMA planning goals and buildable lands program.

### **Countywide Planning Policies (CPP)**

Documentation of the outcome of the GMA required planning process under which a county establishes urban growth areas and selects and proportions growth targets between its cities and towns. The CPP is binding once adopted by the county and ratified by respective cities. King County's CPP is prepared on behalf of the King County Growth Management Planning Council made up of elected officials from the cities and county.

### **Urban Growth Area (UGA)**

The GMA requires designation of Urban Growth Areas to "include areas and densities sufficient to permit urban growth that is expected to occur in a county for the succeeding 20-year period." These are geography-based areas. King County's can be seen in the map in the above text, where it has been further divided into "sub areas" for reporting purposes. Urban Growth Area (UGA)

**Parcel**

A lot or combination of lots under single ownership with a tax account number and a legal description.

**Lot**

The basic unit of the original recording of subdivision.

**Upzone**

Every parcel in Seattle is zoned for a certain use. “Upzoning” refers to a process whereby the City Council changes the use to a higher level or increases allowed height, lot coverage and/or density.

**Downzone**

Every parcel in Seattle is zoned for a certain use. “Downzoning” refers to a process whereby the City Council changes the use to a lower level or decreases allowed height, lot coverage and/or density.

**Build out**

When all the land is developed to the maximum extent allowed under the law. A buildout analysis imagines the case of all the land having “built out” to the maximum allowed as a check for unanticipated costs and results and to help officials make better, more informed decisions.

**Overzoning**

Overzoning occurs where current or proposed zoning permits land uses or densities far in excess of the actual use and over considerably more land than the market can absorb and public services carry.

**Unit**

One unit is a house, a townhouse, half of a duplex, or a single apartment in an apartment building.

**Household**

A household is the occupants of one unit. If the unit is vacant, it is not counted as a household.

## **Sources**

“2007 King County Buildable Lands Report – Recent Growth & Land Capacity in King County and its Cities.” King County Budget Office, September 2007.

<http://www.metrokc.gov/budget/buildland/bldlnd07.htm>

Washington State Dept. of Community and Economic Development – Buildable Lands Program.

<http://www.cted.wa.gov/site/419/default.aspx>

Washington State Growth Management Hearings Boards

Brief explanation of the Growth Management Act

<http://www.gmhb.wa.gov/gma/index.html>

Washington State Office of Financial Management (OFM)

Growth Management Projections and Tracking

<http://www.ofm.wa.gov/pop/gma/default.asp>

“Affordable Housing Action Agenda” Seattle Planning Commission, February 2008. [http://www.seattle.gov/planningcommission/docs/SPC\\_AffordableHousingRpt.pdf](http://www.seattle.gov/planningcommission/docs/SPC_AffordableHousingRpt.pdf)

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<http://www.seattlechannel.org/videos/watchVideos.asp?program=urbanPlanningDevelopment>